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# Foreign Crops and MARKETS



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## GRADUAL LIQUIDATION OF SOUTHERN HEMISPHERE WOOL STOCKS ANTICIPATED

Prospects for disposal of the large wool supplies in the Southern Hemisphere, including the new 1944-45 clip and the record carry-over, appear somewhat brighter than at this time a year ago. The successful prosecution of the war in Europe, and the gradual opening up of former markets in continental Europe which have been cut off since the beginning of the war, offer some hope for the orderly liquidation of these stocks. At the same time, consumption in the United States and in the United Kingdom is not expected to fall off to any great extent for a year or so after the end of the war with Japan. When production for the armed forces falls off, most of the slack will be taken up by providing for postponed civilian needs.

The present wartime accumulation of foreign and domestic wool in the United States is equal to about one year's consumption at the current rate. These large stocks would be sufficient to cause United States users to be out of the market for supplies in the Southern Hemisphere countries were it not for the fact that imported wool is now being sold in this country at prices below those for domestic wools of similar grades. Then, too, the large supplies of surplus wool held in the Southern Hemisphere constitute a potential threat to the post-war market for wool.

Although production in the new 1944-45 season in the five most important countries of the Southern Hemisphere shows a reduction of 5 percent to 2.2 billion pounds, a somewhat larger quantity, or 2.5 billion pounds, has been carried over from earlier clips, making total available supplies, including the clip now coming on the market, of approximately 4.7 billion pounds.

The large carry-over of 2.5 billion pounds in the Southern Hemisphere results from an increase in production and a drop in exports during the war period, despite large shipments to the United States to build up strategic stock piles for the British and United States Governments for commercial use.

Domestic consumption in the relatively sparsely settled countries of the Southern Hemisphere absorbs only a small proportion of available supplies, leaving a large surplus for export. In peacetime, domestic requirements in those countries were equivalent to about 8 percent of the production, and even with the wartime increase they still account for only 15 percent of the wool produced.

The wartime peak of production was apparently reached in 1942-43, as there has since been some reduction. Output in 1944-45, however, will exceed average pre-war production by 11 percent.

The five countries, Australia, the Union of South Africa, New Zealand, Argentina, and Uruguay, produced roughly 54 percent of the total world output of wool in the five pre-war seasons 1934-35 to 1938-39, and approximately 58 percent in 1943. Including Chile, Brazil, Peru, and other South American countries, the Southern Hemisphere furnished 60 percent of the total world production of wool.

The serious drought in Australia during most of 1944 has resulted in a reduction in wool production of 10 percent to 1,037 million pounds for the 1944-45 season, which is the smallest clip there since 1939-40. A reduction of about 4 percent in the South African clip to 240 million pounds is also indicated by preliminary estimates. These two countries produce chiefly fine merino wool. New Zealand production will show an increase of 5 percent to 340 million pounds. The bulk of the production in New Zealand is of medium wool.

These three British Empire countries in the Southern Hemisphere will produce about 1,600 million pounds of wool this season, or 6 percent less than in the preceding one, but they have a record carry-over of 1,925 million pounds, most of which is fine wool.

Production in Argentina is expected to show a decrease of 4 percent to 500 million pounds. The carry-over is of record proportions. Stocks in all hands in Argentina at the beginning of the season on October 1 totaled 510 million pounds, about 45 percent of which was coarse wool.



WOOL: Distribution in Argentina,  
1944-45 with comparisons

	: AVERAGE: :		
DISTRIBUTION	1934-35:	1943-44:	1944-45
	: T0 :	:	a/
	: 1938-39:	:	
	: Million: Million: Million		
Stocks at beginning	: pounds, pounds, pounds		
of season .....	37 :	380 :	510
Production .....	370 :	520 :	500
Apparent supplies ..	407 :	900 :	1,010
Consumption .....	55 :	110 :	110
Exportable surplus ..	352 :	790 :	900
Actual exports .....	322 :	280 :	b/

Estimates of Buenos Aires Branch, First National Bank of Boston, revised at end of season to take care of discrepancies.  
a/ Preliminary. b/ Not available.

Uruguayan production is also expected to show a reduction of 4 percent to 130 million pounds. Uruguay also had a record carry-over of approximately 74 million pounds.

WOOL: Distribution in Uruguay,  
1944-45 with comparisons

	: AVERAGE: :		
DISTRIBUTION	1934-35:	1943-44:	1944-45
	: T0 :	:	a/
	: 1938-39:	:	
	: Million: Million: Million		
Stocks at beginning	: pounds, pounds, pounds		
of season .....	11 :	60 :	74
Production .....	118 :	136 :	130
Apparent supplies ..	129 :	196 :	204
Consumption .....	5 :	12 :	b/
Exportable surplus ..	124 :	184 :	b/
Actual exports .....	115 :	110 :	b/

Estimates of the Office of Foreign Agricultural Relations, based on reports from the American Embassy at Montevideo.  
a/ Preliminary. b/ Not available.

Exports from these two countries, to the United States chiefly, increased during the 1943-44 season but not enough to effect any reduction in the carry-over.

Chiefly because of the loss of continental European markets, exports from the Southern Hemisphere declined from an annual average of 1,740 million pounds for the five pre-war seasons 1934-35 to 1938-39, to 1,165 million pounds in 1943-44, or 36 per-

cent. Continental Europe in the pre-war period took 771 million pounds of Southern Hemisphere wool, or 44 percent of the total exports. By 1943-44, exports to the Continent had dropped to only 17 million pounds. Before the war the United Kingdom took almost as much as all continental Europe. Pre-war exports to Japan averaged almost 200 million pounds annually. The United States took a relatively small quantity before the war, or an annual average of 113 million pounds. In 1941-42, however, exports of Southern Hemisphere wool to the United States reached a little over 1 billion pounds, including British-owned stock-pile wool for storage in the United States, but in the season just closed they fell to 618 million pounds. Argentina and Uruguay supplied 48 percent of these exports. Even with these large exports to the United States, stocks in the Southern Hemisphere piled up as production increased and former markets became inaccessible.

Domestic production in continental Europe furnished a little less than 30 percent of the Continent's total peacetime requirements of wool, and about 76 percent of its import requirements came from the Southern Hemisphere. As there are no evidences of any substantial increase in production or in imports from other sources, as a result of the preemptive buying program of the United Nations, the potentialities of the Continent to absorb a substantial part of the accumulation of wool during the next few years are large. The quantities disposed of in continental Europe, however, are contingent on several factors, such as the restoration of damaged mills, the ability of the liberated countries to buy, and the price of wool in relation to that of competitive fibers.

Wool exports directly to the United Kingdom from the Southern Hemisphere fell to 445 million pounds in 1943-44, and represented about 70 percent of the pre-war average. These were practically all from British Empire countries, since the United Kingdom purchased the exportable surpluses of these countries at the beginning of the war for its duration and one year thereafter. This agreement has recently been extended to include the war with Japan.

WOOL: Summary table of exports from five principal Southern Hemisphere countries a/ to specified destinations, 1943-44 with comparisons

SEASONS	UNITED STATES	UNITED KINGDOM	CONTINENTAL EUROPE	JAPAN	TOTAL TO SPECIFIED DESTINATIONS	TOTAL TO ALL COUNTRIES
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-35:						
to 1938-39 ..	113	641	771	189	1,714	1,741
1939-40 .....	242	827	504	96	1,669	1,709
1940-41 .....	786	363	25	98	1,272	1,370
1941-42 .....	1,039	424	22	13	1,498	1,629
1942-43 .....	665	344	15	0	1,024	1,179
1943-44 .....	618	445	17	0	1,080	1,165

Official sources.

a/ Australia, New Zealand, Union of South Africa, Argentina, and Uruguay. Exports from individual countries are not shown, as those from the British Empire countries may not be shown separately for purpose of security.

During the 5 pre-war years beginning July 1, 1934, the United States was dependent on the Southern Hemisphere for an average annual supply of 207 million pounds or 55 percent of the total wool imported, - most of the remainder consisted of carpet wool from Asiatic sources.

During wartime, the consumption of wool in the United States jumped to the unprecedented level of 1 billion pounds annually, with the demand being chiefly for fine wool. Only 40 percent of these increased requirements could be met from domestic production, hence large imports from the important surplus wool producing countries of the Southern Hemisphere were necessary.

The fear that these important sources of supply might be cut off by war developments caused the United States and British Governments to reach an agreement to build up a stock pile of this strategic material in the United States, where it would be available to United States users in case of emergency and could be readily transported for use in the United Kingdom, where wartime consumption was also at a high level.

This agreement with the British Government for the maintenance of a stock pile was terminated in July 1942, but imports

continue to be made for commercial purposes. As it was becoming increasingly difficult to dispose of domestic wool with a price differential in favor of imported wool, the Commodity Credit Corporation purchased that portion of the 1943 domestic wool clip not already contracted for and is also purchasing the 1944 clip.

The stocks of United States Government-owned foreign wool had been reduced by October 31, through sale at public auction at Boston, to about 50 percent of the 330 million pounds reported on hand in the summer of 1943. Stocks of domestic wool held by the Commodity Credit Corporation, however, are still large.

Total stocks of foreign and domestic apparel wool held by United States dealers and manufacturers on July 1, including wool owned by the Commodity Credit Corporation, were reported at 618 million pounds. This compared with 513 million pounds reported on June 26, 1943. The stocks of carpet wool totaled only 33 million pounds against 48 million in 1943.

Domestic wools are being used only where specified in military orders, and this situation will probably continue as long as there is a price differential in favor of imported wool.

Esther H. Johnson



WOOL: Production in specified countries, greasy basis,  
average 1934-1938, annual 1939-1944

HEMISPHERE AND COUNTRY	AVERAGE : 1934-1938:	1939 : :	1940 : a/ :	1941 : a/ :	1942 : a/ :	1943 : a/ :	1944 : a/ :
	Million : pounds :	Million : pounds :	Million : pounds :	Million : pounds :	Million : pounds :	Million : pounds :	Million : pounds :
Southern Hemisphere							
Australia .....	995.3:	1,127.7:	1,141.8:	1,167.2:	1,147.8:	1,144.0:	1,037.0
New Zealand .....	299.3:	310.0:	332.0:	345.0:	340.0:	325.0:	340.0
British South Africa b/.....	238.6:	246.2:	270.5:	260.0:	260.0:	250.0:	240.0
Argentina g/ .....	370.4:	443.0:	474.0:	494.0:	518.0:	520.0:	500.0
Uruguay d/ .....	118.0:	133.9:	139.0:	117.0:	124.0:	136.0:	130.0
Brazil .....	38.4:	40.8: e/	41.0: e/	41.7: e/	41.3: e/	40.6: e/	40.0
Chile .....	32.7:	36.0:	35.0:	36.0:	36.0:	35.0:	36.8
Peru .....	19.6:	19.0:	16.9:	18.8:	17.1:	18.9:	19.0
Other South America f/ .....	10.5:	10.3:	10.4:	10.4:	10.4:	10.4:	10.4
Total Southern Hemisphere:	2,122.8:	2,366.9:	2,460.6:	2,490.1:	1,494.6:	2,479.9:	2,353.2
Northern Hemisphere							
United States -							
Shorn .....	360.4:	363.7:	374.6:	390.6:	392.4:	384.4:	355.1
Pulled .....	64.7:	64.5:	62.0:	65.8:	66.7:	63.6:	g/
Total .....	425.1:	428.2:	436.6:	456.4:	459.1:	448.0:	-
Canada .....	16.9:	16.0:	15.9:	16.3:	17.6:	19.0:	21.0
Other America .....	14.3:	14.3:	14.3:	14.3:	14.3:	14.3:	14.3
Europe							
United Kingdom .....	108.1:	111.8:	109.0: e/	92.0: e/	89.0: e/	85.0: e/	85.0
Ireland .....	17.1:	17.4:	17.0:	16.2:	15.0:	14.3:	14.7
Continental Europe exclud- ing Soviet Union .....	401.0:	429.3:	401.6:	400.1:	397.7:	389.5:	-
Total Africa, excluding British South Africa .....	97.4:	102.2:	100.8:	101.8:	105.0:	111.7:	g/
Total Asia, excluding China:	222.1:	241.1:	234.4:	224.4:	200.4:	200.3:	g/
Total Northern Hemisphere: excluding Soviet Union :							
and China .....	1,302.0:	1,360.3:	1,329.6:	1,321.5:	1,298.1:	1,282.1:	-
Estimated world total exclud- ing Soviet Union and China h/:	3,420.0:	3,730.0:	3,790.0:	3,810.0:	3,790.0:	3,760.0:	-
Soviet Union .....	210.0:	300.0:	330.0: i/	340.0: i/	270.0: i/	230.0:	g/
China k/ .....	90.0:	90.0:	90.0:	90.0:	90.0:	90.0:	g/
Estimated world total includ- ing Soviet Union and China h/:	3,720.0:	4,120.0:	4,210.0:	4,240.0:	4,150.0:	4,080.0:	-

Estimates of the Office of Foreign Agricultural Relations. Includes wool produced mostly in the spring in the Northern Hemisphere and that produced in the season beginning July 1 or October 1 of the same calendar year in the Southern Hemisphere. Pulled wool included for most countries at its greasy equivalent.

a/ Preliminary.

b/ Union of South Africa and produce of surrounding British Colonies exported through Union ports. Excludes wool exported on skins.

g/ Estimates of Buenos Aires Branch, First National Bank of Boston.

d/ Based on exports, stocks, and domestic consumption.

e/ Estimate based on latest available information.

f/ Includes Bolivia, Ecuador, Paraguay, and Falkland Islands.

g/ Not available.

h/ Rounded to tens of millions.

i/ Rough approximations.

k/ Rough approximations including territory included in Turkestan, former Manchuria, and Inner Mongolia.

## LATE COMMODITY DEVELOPMENTS

### GRAINS, GRAIN PRODUCTS, AND FEEDS

#### CANADA REVISES 1944 GRAIN ESTIMATES

The Canadian grain crop for 1944 was slightly less than the total forecast in September, but it still was much larger than the above-average 1943 production, according to the second official estimate. Considering the grains separately, the wheat estimate has been increased by 5.6 million bushels, compared with the first estimate, while oats and barley were lowered by around 4 million bushels each. The rye outturn has also been revised downward, and is now reported at about 2.3 million bushels less than the first estimate.

#### CANADA: Acreage and production of grain crops, 1943 and 1944

GRAIN	ACREAGE		PRODUCTION	
	1943	1944	1943	1944
	: 1,000	: 1,000	: 1,000	: 1,000
	: acres	: acres	: bushels	: bushels
Winter wheat:	610:	668:	13,222:	20,908
Spring wheat:	16,249:	22,616:	270,438:	432,332
Total .....	16,850:	23,284:	283,660:	453,240
Oats .....	15,407:	14,315:	482,022:	521,954
Barley .....	8,397:	7,291:	215,562:	199,149
Rye .....	576:	648:	7,143:	8,301
Buckwheat ...	286:	256:	6,243:	5,796
Mixed grains:	1,463:	1,518:	35,656:	57,554
Corn, :	:	:	:	:
Shelled ...	230:	270:	7,775:	11,760

From reports of the Dominion Bureau of Statistics, Ottawa.

Wheat production in the Prairie Provinces, now reported at 428 million bushels, shows an increase of 60 percent, compared with the 1943 crop. No change is indicated in the outturn of oats, but the barley crop in that area was about 21 million bushels less than last year's harvest.

The outturn of all grains in the eastern Provinces was much more favorable than

in 1943, when drought reduced yields considerably below average, especially in Ontario and Quebec. Yields in those Provinces this year are well above average, and smaller shipments of grain from the west will be required.

The 1944 bushel per-acre yields of the principal grains were reported as follows, with long-time yields in parentheses: Winter wheat 31.3 (25), spring wheat 19.1 (16), oats 36.5 (31), barley 27.3 (24), rye 12.4 (13), mixed grains 37.9 (34).

#### AUSTRALIA'S WHEAT YIELD REPORTED LOW

The wheat harvest in Australia is progressing and trade sources report that yields continue to be poor. The quality of the grain, however, is said to be satisfactory.

#### ARGENTINE CROP CONDITION IMPROVED

Rains during October generally favored the development of grain crops in Argentina, though crops are still backward in some districts.

The condition of wheat in the Province of Buenos Aires is the most favorable in the country. The condition there is reported to vary from good to very good, except in the northwest section, where it is less promising. The rainfall benefitted grain crops in Santa Fe, Cordoba, and Entre Rios. Some rust damage is reported in southern Santa Fe, eastern Cordoba, and southern Pampa, but the damage is considered unimportant, so far.

#### HURRICANE DAMAGES CUBAN RICE CROP

Losses suffered by the Cuban rice growers from the hurricane of October 18 are placed at 10 to 15 percent of the total Cuban crop. The 1944 harvest is now estimated at



1,670,000 bushels (49 million pounds milled), in comparison with an earlier forecast of 2,000,000 bushels (58 million pounds). This year's crop will be substantially smaller than the record production of 2,222,000 bushels (65 million pounds) in 1943.

The hurricane crossed the western third of Cuba, causing the heaviest damage in the Provinces of Habana and Pinar del Rio, but it did not affect the large rice area in Oriente Province in eastern Cuba. Harvesting was at its peak when the hurricane struck, with the result that many farmers in the storm area lost from 50 to 75 percent of their crop.

### SURINAM RICE PRODUCTION INCREASES

The 1944 Surinam rice crop just harvested is estimated at 1,685,000 bushels (49 million pounds milled) compared with 1,578,000 bushels (46 million pounds) in 1943. The crop was grown on about 32,000 acres, from which a yield of 53 bushels an acre was harvested. This yield was above average. The 1944 production is about equal to annual domestic requirements.

## VEGETABLE OILS AND OILSEEDS

### BRAZILIAN CASTOR BEAN PRODUCTION BELOW PREVIOUS YEAR

Trade sources indicate that the 1944 castor-bean crop in Brazil will amount to about 230,000 short tons compared with a similar estimate of 287,000 tons in 1943. While castor bean cultivation is rather extensive in some sections of the country, the bulk of the supply comes from wild plants. Production depends largely on foreign demand and prices, and the availability of transportation facilities.

The State of São Paulo probably has the most extensive area planted to castor beans. They have been produced there for many years, but since 1932, there has been an upward trend. At that time the Bank of Brazil agreed to finance the crop when planted between coffee trees. Later this financial assistance ceased, but production

continued to increase, reaching 85,000 tons in 1943. Planting in São Paulo usually takes place late in September or early in October and harvesting about six months later. While this is considered an annual crop, some growers prune the stalks and harvest beans from them again the following year.

Prior to 1943 the State of Bahia led in castor bean production. In that State, however, the beans were collected principally from wild plants. The States of Ceara, Pernambuco and Minas Geraes were also important producers.

Despite the wartime interruptions to trade, Brazil has retained first place in world castor bean exports. Until 1935 India was the leading exporter with Brazil in second place. In that year shipments from Brazil exceeded those from India by 9,000 tons and in 1938 by 128,000 tons.

The United States has for many years been the leading purchaser of Brazilian castor beans. Italy, France, England, and Belgium were also important markets until those countries entered the war. Exports of beans and oil in terms of beans averaged about 85 percent of total production from 1936 to 1943.

### BRAZIL: Castor-bean production and exports, 1944 with comparisons

YEAR	: PRODUCTION:	EXPORTS	
	: OF BEANS :	BEANS :	OIL
		Short tons:	Short tons:
Average - :	:	:	:
1936-1940:	180,110:	130,207:	558
1941 .....a/	187,723:	244,504:	4,967
1942 .....a/	167,550:	128,053:	2,852
1943 .....a/	286,598:	171,612:	13,921
1944 .....b/	230,000:c/	91,659:c/	6,077

Compiled from official sources.

a/ Revised.

b/ Preliminary.

c/ January to July only.

### CUBAN VEGETABLE-OIL STOCKS INCREASE; LARD AND TALLOW ARE SCARCE

Vegetable-oil stocks in Cuba are reported to have increased from 6.5 million pounds on October 1 to about 7 million, a month later. The crushing of Cuban peanuts by local mills began in September and in

October amounted to about 2.5 million pounds, or one-half a million pounds above local consumption of edible vegetable oils. Imports of edible vegetable oils at present are insignificant because imports thus far in 1944 have already slightly exceeded the quota of 2 million pounds allocated by the Combined Food Board for the entire year.

The 1944 peanut crop in Cuba is estimated at 55 million pounds (in the shell). About 50 million are expected to be crushed, yielding around 14 million pounds of oil. This oil yield is 3 to 4 million pounds less than that from the 1943 crop. The hurricane that struck western Cuba on October 18 did not materially affect the peanut crop. The summer crop was already harvested and the winter crop, which usually accounts for about 20 percent of the entire annual production, was not far advanced.

Lard imports were below the level of consumption in September and October with the result that stocks showed a further decline from 15.6 million pounds on October 1 to a little more than 14 million on November 1. Domestic production remained at the average level of 500,000 pounds monthly. Consumption averages about 7 million pounds monthly.

Imports of tallow in October were less than the quantities consumed and stocks at the end of the month were negligible. The shortage probably is being alleviated to some extent by current arrivals of the soap fats allocated for the last three months of the year. Consumption of all industrial fats amounts to about 3 million pounds monthly. Local tallow production, both edible and inedible, is believed to have reached a seasonal high of around 1 million pounds in October. Arrivals of stearic acid and linseed oil during October were greater than the quantities consumed that month.

#### CUBANS USE SULPHUR DUST TO CONTROL PEANUT LEAFSPOT

During recent years the Cuban processors of vegetable oils, encouraged by the Cuban Government have been attempting to promote the production of peanuts for

crushing. Production in Cuba rose from 5.5 million pounds (in the shell) in 1937 to a peak of 72.0 million pounds in 1943, based on unofficial estimates. This year, production is forecast at 55 million pounds, a sharp reduction from 1943.

The reduction was due in part to smaller acreage caused by drought at planting time. Another reason was the fact that growers this year were discouraged by the severe leafspot infection in 1943 which greatly reduced yields. The ravages of the infection were especially pronounced on Spanish-type peanuts, introduced for the first time in an effort to increase yields. The leafspot causes withering and early shedding of leaves and immature and empty pods on the vine at harvest.

A leading oil crusher this year conducted an experiment in dusting the vines with sulphur, a method used successfully in the United States for control of peanut leafspot. Under field conditions, test plots for both Spanish-type and the native Chino-type peanuts were selected for one, two, and three dustings with sulphur. The undusted portions of the field were used as a check.

Dusting was carried out largely with a light two-nozzle hand duster, using standard "325-mesh" sulphur conditioned for dusting. Vines were dusted early in the morning, with the dusting repeated if heavy rainfall occurred within 24 hours. First dustings were made about 60 days after planting, with second and third applications made at intervals of 15 days. The rate of application per acre was 12 pounds for the first dusting, and 19 pounds for the second and third, totaling 50 pounds per acre for complete treatment.

Yields of peanuts increased notably as a result of the sulphur dusting. The average number of pods per plant did not increase significantly, but the pods were better filled and heavier than on the undusted plants. Dusted plants were more vigorous, experienced little leaf-shedding, and lived for 10 days or more beyond the infected plants. At harvest, the vines were still green and could be cured for hay; however, this was no immediate advantage as Cuban



growers do not make use of peanut hay. The increase in yields after the three dustings with sulphur was 33.6 percent for Spanish-type peanuts and 48.8 percent for Chino-type. The cost of three dustings was calculated at \$3.02 per acre. The increase in revenue per acre from larger yields was more than twice the cost of dusting.

The experimental results demonstrate clearly the advisability of extensive sulphur use to establish Cuban peanut production on a sounder economic basis, it was stated.

The experiment this year was conducted in Santa Clara Province in Central Cuba, on dark red friable clay. Previous crops on the land had been corn, tomatoes, and sugarcane. Peanuts were planted between May 25 and June 5, which is about 20 days later than the normal planting schedule. Spanish-type peanuts were planted in the shell, at 45 pounds per acre; Chino-type peanuts were shelled before planting at 51 pounds per acre. Leafspot became evident about 50 days after planting.

### LIVESTOCK AND ANIMAL PRODUCTS

#### BRITAIN TO TAKE ALL SURPLUS CANADIAN BEEF

The British Minister of Agriculture and Fisheries announced in the House of Commons on November 15, the conclusion of a new agreement between the United Kingdom and Canada for the purchase of surplus Canadian beef.

Under the agreement Canada obligates herself to supply not less than 50,000,000 pounds of beef annually during each of the years 1944 and 1945. The United Kingdom on the other hand agrees to purchase at least 112,000,000 pounds in 1944 and 134,400,000 in 1945 if offered by the Canadians.

The latter quantities are at present believed to represent the maxima which may be available for export from Canada, said the Minister. He emphasized, however, that if more than those quantities should become available the United Kingdom would be glad to take the additional amounts.

He stated also that supplies from Canada were essential for the maintenance of the

British meat ration and that the United Kingdom Government was especially appreciative of the undertaking given by the Canadian Government to make every effort to ensure that of the quantities of beef delivered under this agreement the maximum possible would be of a quality suitable for sale on the ration.

#### CUBA IMPORTS EGGS DUTY FREE

Under a decree issued on November 2, the Cuban Government authorized duty-free importation of eggs from the United States. The waiver of the import duty of 12 cents per dozen will permit the entry of 15,000 cases of eggs during the succeeding 60 days and their sale at the ceiling price of 60 cents per dozen.

An egg shortage throughout 1944 that was accentuated by the cyclone of October 18, together with an effort to hold prices down, prompted this action of the Cuban Government. On assurance that such action would be taken, importers had purchased eggs in the United States and the first shipment of four cars arrived in Havana by searail on November 4.

These shipments were the first in carlot size to move into Cuba in 13 years. In 1927 Cuba raised to 8 cents per dozen its import duty on eggs from the United States and in May 1930 further increased it to 12 cents per dozen. Prior to the 1927 increase, nearly 12 million dozens of eggs annually entered Cuba. These came almost entirely from the United States.

#### OUTLOOK FOR UNITED STATES LARD IN CUBA

Prospects are favorable for Cuba to continue as an important outlet for United States lard during the immediate post-war period. The Cuban demand for all edible fats and oils, largely imported, will continue strong because of the favorable outlook for exports of sugar and allied products from that country.

Lard is the principal fat imported by Cuba. It is especially preferred for frying. There is, however, a strong preference



for olive oil for seasoning certain staple dishes. Lard and olive oil are displaced to a certain extent by cheaper vegetable oils in the restaurant and baking trades, which consume from 10 to 15 percent of the edible fats and oils, and also in home cooking in periods of low purchasing power.

On the assumption that Cuba's export trade in the immediate post-war period will be at about the 1939-43 level, lard imports should average 60 to 70 million pounds annually, of which the bulk could come from the United States. If lower exports should cause Cuban purchasing power to decline to that of pre-war years, the lard imports probably would not exceed 45 to 50 million pounds. While the quantity of lard Cuba will take from the United States will depend in part upon prices of competing lard or vegetable oils, the amount actually exported from the United States will be governed more by our own supply and demand situation rather than by lard prices in Cuba. The price per pound there closely follows the price here but the quantities moving depend upon their ability to buy. Insofar as surpluses of lard may accumulate in other producing countries this situation might shift.

Cuba always has been one of the most important foreign outlets for United States lard and from 1934 to 1940 was second only to the United Kingdom. As a large portion of its exports of sugar and other products move to this country, Cuba will continue to be an important outlet for our lard.

Cuba produces domestically less than 9 percent of her lard requirements. While that Government has encouraged the production of peanut oil, the output is apt to decline in post-war years. The domestically produced oil competes principally with imported vegetable oils and not with lard. Consumer preference for pure hog lard as compared with vegetable oils guarantees lard an important place in the Cuban market.

### *FRUITS, VEGETABLES, AND NUTS*

#### **CANADA'S SEED POTATO CROP HIGHER**

Canadian certified seed potato growers in 1944 entered 31,633 acres for inspection

and certification of which 28,601 acres were certified. From this last acreage a crop of from 4.0 million to 5.0 million bushels is expected, or about the same as the yearly production preceding 1942. In 1943 a total of 34,947 acres was entered for certification, but only 19,148 were finally approved. The crop that year amounted to 3.5 million bushels.

The 4.0 or 5.0 million produced this year represents about 6 percent of the total potato crop. In Prince Edward Island 36 percent of the total potato acreage this year was for certification and in New Brunswick 15 percent. These two Provinces account for most of the certified seed potato production. Prince Edward Island specializes on Irish Cobbler and Green Mountain varieties. New Brunswick grows mostly Katahdin and Green Mountain. British Columbia and Alberta specialize on the Netted Gem.

Canadian exports of seed potatoes normally amount to about 1.5 million bushels annually. These move to the United States, Cuba, and South American countries. The United States, under its second trade agreement with Canada, grants entry for a maximum of 1.5 million bushels during each year beginning September 15 at the duty-rate of 37.5 cents per 100 pounds. Imports in excess of the quota are dutiable at 75 cents per 100 pounds. Canadian exports to the United States during the crop season beginning August 1 totaled 757,000 bushels in 1940-41 and 590,000, 1,108,000, and 1,101,000 in each of the next three years. Shipments to the United States are heaviest during the fall and early spring months.

#### **BRAZIL DEVELOPING CASHEW NUT AND OIL EXPORTS**

Steadily increasing attention has been devoted to the development of an export industry in cashew nuts and oils in north-eastern Brazil during the past three years. The interest in this crop is attributed to the good demand in foreign markets following the disappearance of India as the principal source of supply. The commercialization of the cashew nut in Brazil is occurring principally in the States of Bahia, Pernambuco, and Ceara.

The cashew is native to the northeastern coast of Brazil where it flowers in August and September. The fruit ripens from November to February. While most foreign countries appreciate the cashew for its nut, the Brazilian people value it also for its fruit. The fruit is eaten in the raw state. It is used also in the manufacture of a beverage known locally as cajuada and in the production of wine. The preserved fruit in various forms is also an article of commerce.

It is reported that a machine has been developed to shell the nuts mechanically without causing damage during shelling operations. Furthermore, shelling costs are much lower than by the former hand methods. The cashew nut industry was slow to develop in Brazil until recently because of competition from India. Some of the present development was brought about by American companies interested in obtaining cashew oil. A moderate export trade now is developing in cashew nuts and cashew shell oil. During the past three years Argentina, the United States, and Uruguay have been the principal customers for these products.

It is difficult to predict what the future of the industry will be. If it collapses following the termination of the war, it will not be from a shortage of nuts, but rather from competition from the Far East, particularly India. If it works out that the nuts can be shelled economically by machinery and the shells can be utilized for oil, the industry may continue to develop.

## SUGAR

### PERU'S 1944 SUGAR PRODUCTION UP

Total sugar output in Peru for 1944 is forecast at 405,000 short tons compared with 378,000 tons in 1943 and 456,000 tons in 1942. Production for the first 9 months of 1944 amounted to about 258,000 short tons, or somewhat above the total for the corresponding period in 1943. September production is estimated at 51,000 tons.

Peruvian domestic consumption of sugar is running about 122,000 short tons yearly, or roughly one-third of the total output. The remainder normally moves into foreign markets. Total exports during the first 8 months of 1944 were about 5 percent larger than the 192,500 short tons exported during 1942 and almost double the amount exported during 1943. Chile is the most important foreign market for Peruvian sugar, having taken from 50 to 70 percent of the total exports during the past 3 years. Bolivia, Argentina, Ecuador, Uruguay, Mexico, and Columbia are other important outlets.

### BUENOS AIRES REPORTS SUGAR SHORTAGE

In spite of what appeared to be adequate sugar stocks of 336,000 short tons on October 1, 1944, a scarcity of sugar is reported in Buenos Aires. On October 22 the Buenos Aires press stated that local retailers were experiencing difficulties in securing sugar supplies.

## LATE REGIONAL DEVELOPMENTS

### CANADIAN FARM GOAL CONFERENCE DECEMBER 4-6

The 12th Dominion-Provincial Agricultural Conference will be held in Ottawa December 4 to 6 inclusive, Hon. James G. Gardiner, Dominion Minister of Agriculture has announced. At the Conference farm production goals for 1945 will be discussed. The Conference will be attended by the principal officials of the Dominion and Provincial Departments of Agriculture and the

representatives of the Canadian Federation of Agriculture and other producer farm organizations. A. M. Shaw, Chairman, Agricultural Supplies Board, will be Chairman of the Conference.

Detailed information on the quantities of essential food products to meet the needs of the Armed Forces, the civilian population, ships' stores, the Red Cross Society for parcels for prisoners of war, export commitments to Britain, U.N.R.R.A., and other expected demands, is now being assembled by



Canadian Government economists and statisticians. A general survey is also being made in order to learn what production is possible with present supplies of labor and farm machines. The objectives set at the 1943 Conference have, with few exceptions, been met, and several of them have been substantially exceeded.

#### CUBA REPAIRING HURRICANE DAMAGE

Cuba is still suffering from the effects of the October 18 hurricane which caused considerable loss of life and property damage in the two western Provinces of the Island. The Cuban Congress has appropriated \$5,000,000 for hurricane relief while private donations are approaching the \$600,000 mark.

Cuban agriculture which was especially affected, is busily engaged in repairing

the damage suffered by rural homes, tobacco-curing barns, plantings and supplies. Orders for the materials most urgently needed for that purpose, especially fertilizers, lumber, nails, and seeds, have been placed in the United States and every effort is being made to facilitate their early shipment.

Additional supplies of certain foods must also be obtained. For that reason the Cuban Government has temporarily waived the import duties on eggs and evaporated milk. Emergency shipments of eggs have already arrived.

Tobacco and vegetable growers are rushing land preparation and plantings in order to offset the damage and delays caused by the hurricane. However, indications are that Cuba's early winter vegetable crop and the Vuelta Abajo, Semi-Vuelta, and Partido tobacco crops will be reduced and will be 30 to 45 days later than usual.

UNITED STATES DEPARTMENT OF AGRICULTURE  
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